

Central Intelligence Agency



Washington, D.C. 20505

## DIRECTORATE OF INTELLIGENCE

19 March 1982

## CHINESE TACTICS AND MOTIVES IN DEALING WITH THE US

Judgments

Beijing has decided upon an extended period of confrontation with the US in order to probe for further concessions on the Taiwan issue and to gain more time to work out a compromise formula acceptable to broad segments of the leadership. Vice Foreign Minister Pu Shouchang's meeting on 18 March with Ambassador Hummel represented an effort by the Chinese to leave the burden of negotiating on the US and to augment the pressure that they have been putting on the US since last October. [redacted]

25X1

The Chinese failure thus far to respond to the US with counterdrafts probably results from a belief that the best negotiating strategy is to continue to criticize US efforts. The difficult task of agreeing on language that retreats from the ultimatums of last October will require extensive consultation and compromise within the Chinese leadership. The leadership's preoccupation with domestic affairs (bureaucratic reorganization and the anticorruption campaign) has left it unprepared to develop a compromise on the highly sensitive Taiwan issue. [redacted]

25X1

25X1

Beijing still values its ties with the US and continues to convey the strong impression that it does not want relations to deteriorate. But it is less clear than it was at the turn of the year that the Chinese leadership will eventually agree to a compromise that accommodates US interests and obligations under the Taiwan Relations Act. Chinese inflexibility and the

25X1

This memorandum was prepared by [redacted] Foreign Policy and National Security Branch, China External Affairs Division, Office of East Asian Analysis, Directorate of Intelligence, in response to a request from Mr. John H. Holdridge, Assistant Secretary of State for East Asian and Pacific Affairs, Department of State.

25X1

25X1

25X1

EA M 82-10042 X

[redacted] SECRET [redacted]

SECRET

querulous tone of recent Chinese propaganda suggest that more than mere negotiating tactics are involved and that those seeking a compromise with the US may be facing increasing difficulties.

25X1

Deng is probably in full accord with China's intransigent tactics, which are, in the final analysis, an implicit criticism of his earlier handling of relations with the US. He continues, however, to have a strong personal stake in good Sino-US relations. When the current talks reach a final impasse, despite the political constraints currently placed on him, Deng will probably make a strong effort to forge a consensus around a position short of China's current demands. This probably will be a call for a US statement that can be construed as a guarantee, however vague, that arms sales will cease at some point in the future and that gives somewhat greater recognition of China's sovereignty over Taiwan than was provided in 1978.

25X1

### Chinese Negotiating Style

The Chinese refusal to present a counterdraft to the US on the Taiwan issue appears to reflect calculated negotiating tactics as well as difficulties in framing a compromise acceptable to all within the leadership. This delay, in the face of what China knows to be a rapidly approaching deadline for Congressional notification of spare parts transfers to Taiwan, is aimed to extracting more from the US by stepping up the pressure.

25X1

Chinese tactics in recent weeks have included the following:

- Rejecting US language without providing alternate formulations on key issues;
- Warning third parties and foreign journalists that Sino-US relations are in great danger;
- Urging the US in private to persist in seeking a compromise; and
- Intensifying propaganda attacks on US policies toward Taiwan and in third areas.

25X1

### The Role of Domestic Politics

Having authorized Huang Hua to issue an ultimatum to the US and having found its terms rejected by Washington, the Chinese leaders now have to find new language that preserves as much of their claim to sovereignty over Taiwan as possible while keeping the US engaged in talks. They recognize, of course, that eventually they will have to agree on a position that gives them considerably less than they sought in October if there is to be any chance of an agreement with the US.

25X1

Substantial political maneuvering and compromising probably preceded the current bureaucratic reorganization and the regime's anticorruption campaign. The time and effort required to work out a consensus on these issues may have left the leadership unprepared to undertake the strenuous maneuverings required to reach a consensus on a compromise on the highly sensitive Taiwan issue. [redacted]

25X1

It is possible that there are deep factional splits within the leadership on this issue and that Deng is facing growing opposition to his policy, but to date there is no firm evidence to support this hypothesis. Beijing currently appears to have decided to make a virtue of its failure to agree upon more conciliatory terms by using the coming period to see if continued adherence to the terms it presented last October will prompt further concessions from the US. [redacted]

25X1

### What Next?

The Chinese have four basic options in dealing with the US in the immediate future:

- To accept the US position substantially as it is currently formulated;
- To make a final effort to obtain more US concessions before accepting the US position;
- To steadily increase pressure on the US without taking the irrevocable step of downgrading relations; and
- To insist that the US meet all of Huang Hua's demands of last October and to prepare to downgrade relations. [redacted]

25X1

All of these options remain open to Beijing and it is not entirely clear at this point that it has dismissed any of them. Given the preoccupation of the leadership with domestic matters and the difficulty of working out a compromise that accommodates at least some US positions, Beijing appears to have chosen the third option. This option plays for time and intensifies pressure on the US without introducing a qualitative change into the relationship. [redacted]

25X1

25X1

Pu's response was polemical and uncompromising. At the same time, it did not shut off further discussion and invited further US efforts to reach an accommodation. As such, the response is calculated to increase concern in the US and to probe for US flexibility on the main issues of Chinese sovereignty and US arms sales to Taiwan. [redacted]

25X1

The Chinese recognize that they have to face the issue of the imminent transfer of US spare parts to Taiwan. Beijing may have decided to use this US step to further its own campaign. Notification to Congress of the transfer will probably be

SECRET

followed by warnings and at the end of the notification period the Chinese will broadly attack the US in the public media and at the same time they may recall Ambassador Chai. [REDACTED]

25X1

In recalling Chai, the Chinese would not request that relations be downgraded but they would attempt to generate the broadest possible public attention to his departure. [REDACTED]

25X1

25X1

25X1

[REDACTED] Beijing would also hope that Chai's return home would alarm the Western allies and Japan and induce them to increase pressure on Washington to work out an accommodation with Beijing. [REDACTED]

25X1

Chinese handling of the proposed sale by the Netherlands of two submarines to Taiwan in 1980-1981 provides a possible precedent for applying pressure to the US. In that case, the Chinese Ambassador to The Hague went home on business during the early stages of the Chinese effort to block the sale and remained there as China intensified its pressure on The Hague. Only when a formal decision to sell the submarines was reached and approved by the Dutch parliament did Beijing request that relations be downgraded and the Dutch Ambassador was withdrawn. In the current situation, Beijing could withdraw Chai, while maintaining the option of later downgrading relations. [REDACTED]

25X1

SECRET

SUBJECT: Chinese Tactics and Motives in Dealing with the U.S.

DISTRIBUTION:

National Security Council

1 - Mr. Don Gregg, Room 372, EOB

Department of State

Original - Mr. John H. Holdridge, Assistant Secretary  
of State for East Asian and Pacific Affairs,  
Room 6206

1 - Mr. Hugh Montgomery, Director, Bureau of  
Intelligence and Research, Room 6531

1 - Mr. William Rope, Director, Office of  
Chinese Affairs, Room 4318A

Department of Defense

1 - Mr. Richard Armitage, Deputy Assistant  
Secretary of Defense for International  
Security Affairs, Room 4E810, Pentagon

National Security Agency



25X1

Central Intelligence Agency

- 1 - OCO/IMB/CB (7G07)
- 1 - D/OEA (4F18)
- 1 - PDB (7F30)
- 1 - D/NIC (7E62)
- 3 - NIO/EA (7E62)
- 2 - DDI (7E44)
- 1 - Executive Director/DCI (7D55)
- 1 - C/CE/F
- 1 - C/CE/F, Chron file

SECRET